



March 7, 2016

Mr. John Anderson
Office of Fuels Programs, Fossil Energy
U.S. Department of Energy
Docket Room 3F-056, FE-50
Forrestal Building
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Washington, D.C. 20585

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Re: **In the Matter of Cheniere Marketing, LLC**
FE Docket No. 16- 29-LNG
Application for Blanket Authorization to Export Liquefied Natural Gas

Dear Mr. Anderson:

Enclosed for filing on behalf of Cheniere Marketing, LLC ("CMI"), please find CMI's application for blanket authorization to engage in short-term exports of up to 500 billion cubic feet ("Bcf"), on a cumulative basis, of liquefied natural gas ("LNG") that has been imported into the United States from foreign sources, for a two-year period commencing on June 7, 2016 which is the day following the date upon which CMI's existing blanket re-export authorization¹ is scheduled to expire. CMI seeks authorization to export previously imported LNG from the Sabine Pass LNG terminal, owned by Sabine Pass LNG, L.P., in Cameron Parish, Louisiana, to any country with the capacity to import LNG via ocean-going carrier and with which trade is not prohibited by U.S. law or policy.²

Should you have any questions, please contact the undersigned at (212) 318-3009.

Respectfully submitted,

/s/ Lisa M. Toney
Lisa M. Toney
Mariah T. Johnson
Attorneys for
Cheniere Marketing, LLC

¹ *Cheniere Marketing, LLC*, DOE/FE Order No. 3442 (June 6, 2014).

² A check in the amount of \$50.00 is being provided as the filing fee stipulated by 10 C.F.R. § 590.207 (2015).

**UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY**

In The Matter Of:)
)
CHENIERE MARKETING, LLC) **FE Docket No. 16 - ____ - LNG**
)

**APPLICATION OF CHENIERE MARKETING, LLC
FOR BLANKET AUTHORIZATION TO EXPORT LIQUEFIED NATURAL GAS**

Pursuant to Section 3 of the Natural Gas Act (“NGA”)¹ and Part 590 of the Department of Energy’s (“DOE”) regulations,² Cheniere Marketing, LLC (“CMI”) hereby requests that DOE, Office of Fossil Energy (“DOE/FE”), issue an order granting blanket authorization for CMI to engage in short-term exports of up to 500 billion cubic feet (“Bcf”) (which is the equivalent of up to approximately 525 to 545 Trillion British Thermal units (“TBtus”)) of liquefied natural gas (“LNG”), on a cumulative basis, that has been imported into the U.S. from foreign sources, for a two-year period commencing on June 7, 2016, which is the day following the date upon which CMI’s existing blanket re-export authorization³ is scheduled to expire. CMI is seeking authorization to export previously imported LNG from the Sabine Pass LNG terminal, owned by Sabine Pass LNG, L.P., in Cameron Parish, Louisiana to any country with the capacity to import LNG via ocean-going carrier and with which trade is not prohibited by U.S. law or policy.

In support of its application, CMI states as follows:

¹ 15 U.S.C. § 717b (2012).

² 10 C.F.R. Part 590 (2015).

³ *Cheniere Marketing, LLC*, DOE/FE Order No. 3442 (June 6, 2014).

I.
DESCRIPTION OF THE APPLICANT

The exact legal name of CMI is Cheniere Marketing, LLC. CMI is a Delaware limited liability company with its principal place of business located at 700 Milam Street, Suite 1900 Houston, Texas 77002. CMI is a wholly-owned subsidiary of Cheniere Energy, Inc. (“Cheniere Energy”). Cheniere Energy is a Delaware corporation with its primary place of business located at 700 Milam Street, Suite 1900, Houston, Texas 77002. Cheniere Energy is a developer of LNG import and export terminals and natural gas pipelines on the Gulf Coast, including the Sabine Pass LNG terminal.

On June 6, 2014, in DOE/FE Order No. 3442 (“Order No. 3442”), DOE/FE authorized CMI to engage in short-term exports of up to 500 Bcf, on a cumulative basis, of LNG that has been imported into the United States from foreign sources to any country with the capacity to accept LNG via ocean-going carrier and with which trade is not prohibited by U.S. law or policy, for a two-year period commencing June 7, 2014.⁴ Most recently, on January 8, 2015, DOE/FE granted CMI blanket authorization to import LNG from various international sources.⁵ Under the terms of the blanket authorization, the LNG may be imported at any LNG receiving facility in the United States and its territories.

⁴ *Id.*

⁵ *Cheniere Marketing, LLC*, DOE/FE Order No. 3578 (Jan. 8, 2015). This authorization enables CMI to import and export natural gas from and to Canada and Mexico, to export LNG to Canada and Mexico by vessel and truck and to import LNG from various international sources, up to a combined total of 1,600 Bcf of natural gas for a two-year period which began on January 29, 2015.

II.
COMMUNICATIONS AND CORRESPONDENCE

All correspondence and communications concerning this application, including all service of pleadings and notices, should be directed to the following persons:⁶

Patricia Outtrim
Rina Chang
Cheniere Energy, Inc.
700 Milam Street, Suite 1900
Houston, TX 77002
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(713) 375-6000 (fax)
pat.outtrim@cheniere.com
rina.chang@cheniere.com

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Pursuant to Section 590.103(b) of DOE/FE's regulations,⁷ CMI hereby certifies that the persons listed above and the undersigned are the duly authorized representatives of CMI.

III.
DESCRIPTION OF PROPOSAL

CMI requests blanket authorization to export previously imported LNG on a short-term or spot market basis up to 500 Bcf (the equivalent of approximately 525 to 545 TBtus) cumulatively over a two-year period commencing on June 7, 2016. CMI is requesting authorization to export LNG for itself and as agent for third parties who may hold title to the LNG at the time of export. CMI anticipates exporting previously-imported LNG to any country with the capacity to import LNG via ocean-going carrier and with which trade is not prohibited by U.S. law or policy. CMI is not seeking authorization to export domestically-produced natural gas or LNG. The LNG that is proposed to be exported is derived from CMI's LNG importing

⁶ CMI requests waiver of Section 590.202(a) of DOE's regulations, to the extent necessary to include outside counsel on the official service list in this proceeding. 10 C.F.R. § 590.202(a).

⁷ *Id.* § 590.103(b).

activities and resides in LNG storage tanks at the Sabine Pass LNG terminal. That LNG will either be re-exported or regasified to be consumed in the domestic natural gas market, contingent on U.S. and global market price signals. No physical modifications to the Sabine Pass LNG terminal are required to accommodate the export authorization requested herein. There are no other proceedings related to this application currently pending before DOE or any other federal agency.

IV. PUBLIC INTEREST

Pursuant to Section 3 of the NGA, DOE/FE is required to authorize exports to a foreign country unless there is a finding that such exports “will not be consistent with the public interest.”⁸ Section 3 thus creates a statutory presumption in favor of approval of this application which opponents bear the burden of overcoming.⁹ Further, in evaluating an export application, DOE/FE applies the principles described in DOE Delegation Order No. 0204-111, which focuses primarily on domestic need for the gas to be exported, and the Secretary’s natural gas policy guidelines.¹⁰ As detailed below, CMI’s proposal to export LNG to those countries with the capacity to import LNG via ocean-going carrier and with which trade is not prohibited by U.S. law or policy is consistent with Section 3 of the NGA and DOE/FE’s policy.

In Order No. 3442, which granted CMI blanket authorization to export up to 500 Bcf (cumulatively) of previously imported foreign-sourced LNG, DOE/FE determined that the record

⁸ 15 U.S.C. § 717b.

⁹ In *Panhandle Producers and Royalty Owners Ass’n v. ERA*, 822 F.2d 1105, 1111 (D.C. Cir. 1987), the court found that Section 3 of the NGA “requires an affirmative showing of inconsistency with the public interest to deny an application” and that a “presumption favoring ... authorization ... is completely consistent with, if not mandated by, the statutory directive.” *See also Independent Petroleum Ass’n v. ERA*, 870 F.2d 168, 172 (5th Cir. 1989); *Panhandle Producers and Royalty Owners Ass’n v. ERA*, 847 F.2d 1168, 1176 (5th Cir. 1988).

¹⁰ *See* 49 Fed. Reg. 6684 (Feb. 22, 1984).

showed sufficient supply of natural gas to satisfy domestic demand from multiple other sources at competitive prices without relying on the volumes of imported LNG that CMI would seek to export.¹¹ Recently, in DOE/FE Order No. 3754 (“Order No. 3754”) issued in December 2015, DOE/FE made the same finding in granting ConocoPhillips Company (“ConocoPhillips”) blanket authority to export 500 Bcf of previously imported LNG from the Freeport LNG Development, L.P. terminal on Quintana Island, Texas.¹² In Order No. 3754, DOE/FE stated that “. . .United States consumers will continue to have access to substantial quantities of natural gas sufficient to meet domestic demand from multiple other sources at competitive prices without drawing on the LNG which ConocoPhillips seeks to export.”¹³

Similarly, in Order No. 3754, as well as in other blanket authorizations issued in recent years, DOE/FE authorized the export of previously imported LNG, in each case citing authoritative data that substantiates U.S. consumer access to ample volumes of natural gas to meet domestic demand from multiple other competitively-priced sources.¹⁴ In Order No. 3754, DOE/FE took administrative notice that the Energy Information Administration (“EIA”) Annual Energy Outlook 2015 (“*AEO2015*”) shows annual domestic dry natural gas production increasing to a projection of 28.82 Tcf by 2020.¹⁵ Consumption in 2020 is projected to be 26.14 Tcf.¹⁶ In this regard, DOE/FE found that *AEO2015* and the record of evidence supporting each of the similar authorizations granted, support the conclusion that the volumes of foreign-sourced

¹¹ *Cheniere Marketing, LLC*, DOE/FE Order No. 3442 at pp. 6-7.

¹² *See ConocoPhillips Company*, DOE/FE Order No. 3754 (Dec. 16, 2015).

¹³ *Id.* at 6.

¹⁴ *See Freeport LNG Development, L.P.*, DOE/FE Order No. 3717 (Sept. 25, 2015); *ENI USA Gas Marketing LLC*, DOE/FE Order No. 3628 (Apr. 23, 2015); *Sempra LNG Marketing, LLC*, DOE/FE Order No. 3587 (Jan. 30, 2015).

¹⁵ *See* Order No. 3754 at 6.

¹⁶ *Id.*

LNG that the relevant applicants have sought to export are not needed to meet domestic demand.¹⁷

CMI is requesting authorization to export LNG for itself and as agent for third parties who themselves hold title to the LNG at the time of export. CMI will comply with all DOE/FE requirements for exporters and agents, including the registration requirements as first established in *Freeport LNG Expansion, L.P.*, DOE/FE Order No. 2913, and confirmed in *Gulf Coast LNG Export, LLC*, DOE/FE Order No. 3163.¹⁸ In this regard, CMI, when acting as agent, will register with DOE/FE each LNG title holder for whom it seeks to export as agent, and will provide DOE/FE with a written statement by the title holder acknowledging and agreeing to (i) comply with all requirements in CMI's export authorization; and (ii) include those requirements in any subsequent purchase or sale agreement entered into by the title holder.

Granting of CMI's short-term blanket authorization as requested herein would provide CMI with the necessary flexibility it continues to require to respond to changes in domestic and global markets for natural gas and LNG. Such authorization would enable CMI to avail itself of spot-market LNG import cargoes, which in turn would help to further promote the liquidity of supply available to the U.S. market. Natural gas derived from imported LNG would be available to supply local markets when conditions support greater domestic use, and would thereby serve to moderate U.S. gas price volatility. Furthermore, the ability to re-export previously imported LNG helps to encourage continued imports, which in turn helps to ensure that the Sabine Pass LNG terminal facilities will more efficiently remain in ready operating condition. As such, the requested export authorization is consistent with the public interest.

¹⁷ See *id.*; see generally *supra* note 14.

¹⁸ See *Freeport LNG Expansion, L.P. & FLNG Liquefaction, LLC*, DOE/FE Order No. 2913 (Feb. 10, 2011), *Errata* (Feb. 17, 2011); *Gulf Coast LNG Export, LLC*, DOE/FE Order No. 3163 (Oct. 16, 2012).

V.
ENVIRONMENTAL IMPACT

No changes to the Sabine Pass LNG terminal facilities would be required for CMI's proposed exportation of foreign-sourced LNG. Consequently, granting this application will not be a federal action significantly affecting the human environment within the meaning of the National Environmental Policy Act.¹⁹ Therefore, an environmental impact statement or environmental assessment is not required.

VI.
APPENDICES

The following appendices are attached hereto and incorporated by reference herein:

Appendix A: Verification

Appendix B: Opinion of Counsel

¹⁹ 42 U.S.C. § 4231, *et seq.* (2012).

VII.
CONCLUSION

For the foregoing reasons, CMI respectfully requests that FE determine that CMI's request for blanket authorization as discussed herein to enable it to export foreign-sourced LNG from the Sabine Pass LNG terminal to any country with the ability to import LNG via ocean-going carrier and with which trade is not prohibited by U.S. law or policy, is not inconsistent with the public interest and grant such authorization as expeditiously as possible but no later than June 6, 2016, the date upon which CMI's existing blanket re-export authorization is scheduled to expire.

Respectfully submitted,

/s/ Lisa M. Tonery
Lisa M. Tonery
Mariah T. Johnston
Attorneys for
Cheniere Marketing, LLC

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666 Fifth Avenue
New York, New York 10103
(212) 318-3009

Dated: March 7, 2016

Appendix A

VERIFICATION

State of Texas)

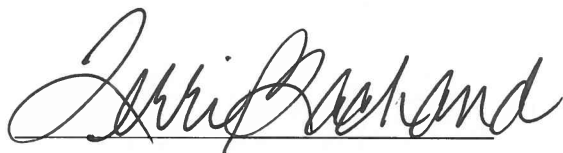
County of Harris)

BEFORE ME, the undersigned authority, on this day personally appeared Patricia Outtrim, who, having been by me first duly sworn, on oath says that she is the Vice President, Governmental and Regulatory Affairs, for Cheniere Energy, Inc. and is duly authorized to make this Verification; that she has read the foregoing instrument and that the facts therein stated are true and correct to the best of her knowledge, information and belief.



Patricia Outtrim

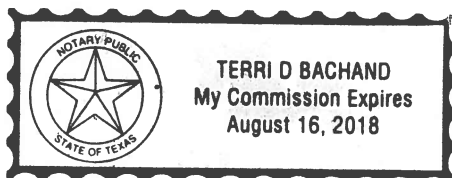
SWORN TO AND SUBSCRIBED before me on the 17th day of March, 2016.



Name: TERRI BACHAND

Title: Notary Public

My Commission expires:



Appendix B



Cheniere Energy, Inc.
700 Milam Street, Suite 1900
Houston Texas 77002
phone: 713.375.5000
fax: 713.375.6000

March 7, 2016

Office for Oil and Gas Global Security and Supply
U.S. Department of Energy, Office of Fossil Energy
FE-34
1000 Independence Avenue, S.W.
Washington, D.C. 20585

**Re: In the Matter of Cheniere Marketing, LLC
FE Docket No. 16___-LNG
Application for Blanket Authorization to Engage in
Short-Term Exports of LNG**

Dear Sir or Madam:

This opinion of counsel is provided in accordance with the requirements of section 590.202(c) of the U.S. Department of Energy's regulations, 10 C.F.R. § 590.202(c) (2015). I have examined the Limited Liability Company Agreement of Cheniere Marketing, LLC ("CMI") and other authorities as necessary, and have concluded that the proposed exportation of LNG is within CMI's corporate powers. Further, CMI is authorized to do business in Louisiana and Texas, and to engage in foreign commerce.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Rina Chang", written over a horizontal line.

By: Rina Chang
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